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In a presentation at this week's Future Proof Citywide conference in Miami, planning writer and entrepreneur Michael Kitces discussed the findings of The Kitces Report's study of financial advisors' happiness with their jobs.
Rob Burgess/Financial Planning

What drives financial advisor well-being? Michael Kitces has answers
By Tobias Salinger
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Financial advisors were more likely to report being happy with their jobs than in the previous study by Michael Kitces' research outlet — yet clear pain points remain across the field.

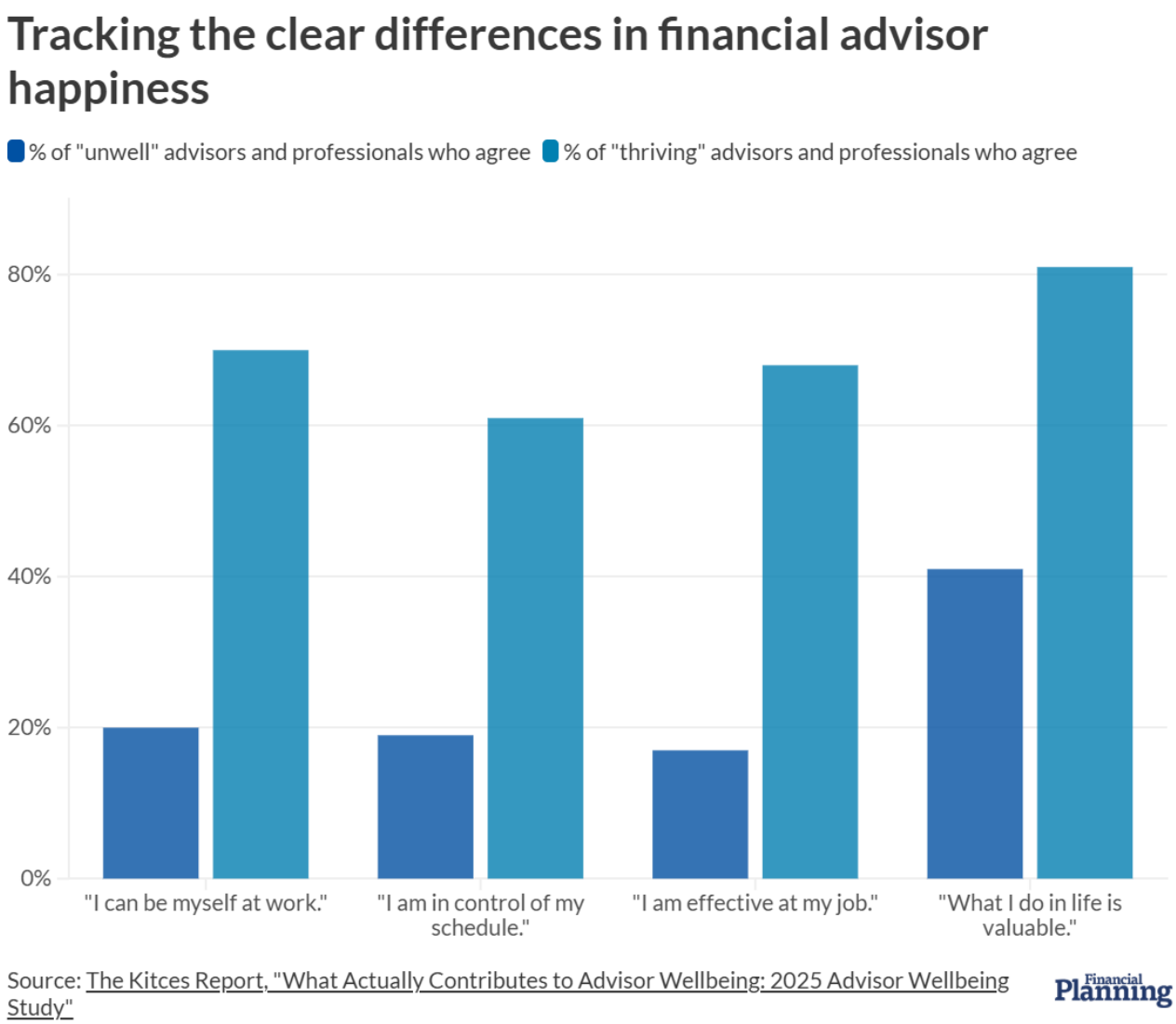
Using a 10-point scale that measured an array of factors influencing advisors' workplace well-being, The Kitces Report found the average rating jumped to 7.3 in 2025 from 6.8 in 2023, indicating the career looks "increasingly appealing compared to other professions." The share of advisors' scores at or below 5,

classified as "unwell," dropped to 12.5% last year from 19.6% two years earlier, and the share of scores of 9 or 10, classified as "thriving," surged to 22.5% from only 13.8%. That said, the research showed how technology, compensation, workplace flexibility and client headcount affect advisors' happiness on the job and why the industry has a vested interest in it.

As a classic example of a relationship-driven business, the wealth management industry needs to recruit and retain advisors who earn recurring revenue from their base of clients. Clunky tech, a lack of firm equity in advisors' pay and blanket return-to-office orders aren't doing registered investment advisory firms and other wealth management companies any favors. At the same time, the study indicated that what it described as a "growth-first mindset" — a never-ending pursuit of new clients and higher income — often takes a toll on advisor well-being. In fact, well-being appears to "plateau" at about $500,000 in annual pay, and compensation ranked below experience, tech, hours and autonomy as an indicator of well-being, the study said.

"There comes a point where the next incremental dollar does not really change my life, and other things in life start to become more important," Kitces, the planning entrepreneur who is co-founder of the XY Planning Network and AdvicePay and the "chief financial planning nerd" of the Kitces.com "Nerd's Eye View" blog, said in a presentation about the study at this week's Future Proof Citywide conference in Miami.

"It's really hard to get advisors to take on more clients when they're already making enough money to be happy," Kitces said. "It's like, what's the point? My life is not meaningfully going to improve if I take on a couple more clients and do all that work that is required to onboard a new client."


Tracking the clear differences in financial advisor happiness
% of "unwell" advisors and professionals who agree
% of "thriving" advisors and professionals who agree
80%
60%
40%
20%
0%
"I can be myself at work."
"I am in control of my schedule."
"I am effective at my job."
"What I do in life is valuable."
Source: The Kitces Report, "What Actually Contributes to Advisor Wellbeing: 2025 Advisor Wellbeing Study"
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What do advisors need to be happy at work?
To that point, the study found that "the 'sweet spot' for advisor wellbeing generally falls between 40 and 100 client households, with the optimal number decreasing as client affluence increases." Beyond numbers, the study identified the feeling of "having enough" as a key driver of advisor well-being. (That finding may remind some of the "Boglehead" fans of the late Vanguard founder Jack Bogle of his 2008 book, "Enough: True Measures of Money, Business, and Life.")

The other main determinants of advisors' well-being from the study are: time in the industry, satisfaction with their current workplaces and employers, degree of control over their schedule, equity in the firm and generating sufficient revenue per hour.

"Understanding what drives advisor well-being is important — not only because it helps to improve the day-to-day experience of individual advisors, but also because low well-being across a firm's advisor base significantly increases the risk of turnover," the study said. "This, in turn, can impact the firm's growth and

profitability, as departing advisors often take clients (and the associated revenue) with them, leading to considerable time and managerial resources that must be redirected toward rehiring for existing roles and retaining clients who might be inclined to follow a departing advisor. This means that supporting and investing in the well-being of their advisors serves as a crucial business lever for advisory firms to minimize the negative business consequences of turnover."

Advisors' compensation, which often depends on whether stocks and bonds are rising or falling in value, will always play a role in their level of happiness at work, according to Kevin Thompson, the founder of Fort Worth, Texas-based RIA firm 9I Capital Group. He pointed out that the survey of advisors last year took place in a bull market, while that of 2023 came the year after a highly bearish year for stocks and bonds 2022. However, Thompson said he believes that happier advisors are also less likely to harm clients through recommendations that are not in their best interest and agreed that it's important to any firms recruiting them, too.

"From a recruiting perspective, it's easier to build a practice when advisors are happy, because they'll recruit other advisors into your business," Thompson said. "Keeping your advisors happy is critical for growing your personal practice, but, also, as I said, if the revenue is good, people can overlook the things that bother them."

Workplace flexibility dramatically reduces advisor attrition risk

Workplace flexibility dramatically reduces advisor attrition risk
% "VERY LIKELY" TO CHANGE FIRMS OR PLATFORMS WITHIN 5 YEARS
4%
33%
WITH WORKPLACE FLEXIBILITY
WITHOUT FLEXIBILITY
Source: The Kitces Report, Volume 2, 2025: "What Actually Contributes to Advisor Wellbeing: 2025 Advisor Wellbeing Study," February 2026
Visualization created with AI assistance based on original reporting.

A lot to chew on

The Kitces study faced some difficulty in trying to draw conclusions about the

multifaceted reasons behind happiness or lack of it among a population of about 300,000 advisors across the industry.

The online poll last August and September through Kitces.com drew from 827 responses that the report acknowledged over-represent RIA-only advisors, under-represent private equity-backed firms and tend to be "more advice- and planning-centric than the broader industry." Nevertheless, the study captured input from advisors in "a wide range of professional organizations, pricing structures, client profiles and other variables," with the middle half working at practices with between $330,000 and $2.5 million in annual revenue, the study said. The advisors' average well-being score of 7.3 out of 10 came in above the score of 6.7 of the general U.S. population in a ranking system called the "Cantril ladder," which the report noted was developed in 1965 by a social researcher named Hadley Cantril. Among the participants, 65% had "typical" scores between six and eight.

Many of the most interesting findings in the 86-page report dealt with the differences on either side of that spectrum, between "unwell" and "thriving" advisors. For example, at least 28% of those with less than five years in the field showed up in the unwell group, compared with only 7% of advisors with 20 or more years on the job. Notably for a profession that has an infamous shortfall of incoming advisors, career changers were much less likely to be unwell than advisors who started in the field right after college.

"This gap narrows over time but never fully closes," the study said. "Ultimately, firms have a financial trade-off between hiring those right out of college (who have lower salary demands but are more likely to turn over) and career switchers (who command 20%-40% higher salaries but are more likely to survive and stay)."

In terms of advisors' workplaces, the numbers demonstrated why large wealth management firms spend tens of millions, hundreds of millions or even more than a billion dollars annually on technology. A quarter of advisors who gave their firm's tech stack low satisfaction ratings said they were at "high risk" of changing firms in the next five years, while only 1% of those giving their current firms' tech high grades said they were likely to leave in that span. But that finding doesn't necessarily signal that every firm needs to plow a lot of money into boosting the available tech tools, according to Mark Tenenbaum, Kitces' director of advisor research.

Great tech "does correspond with a pretty meaningful lift in productivity," but the delegation available through support staffing that removes a lot of manual work from advisors' roles is at least as important, if not more so, than ramping up efficiency, Tenenbaum said.

"The typical advisory firm uses 12 distinct pieces of software," he said. "Using tech that stinks makes your day a whole lot worse."

Figure 3.1. The Five Key Drivers Of Advisor Wellbeing

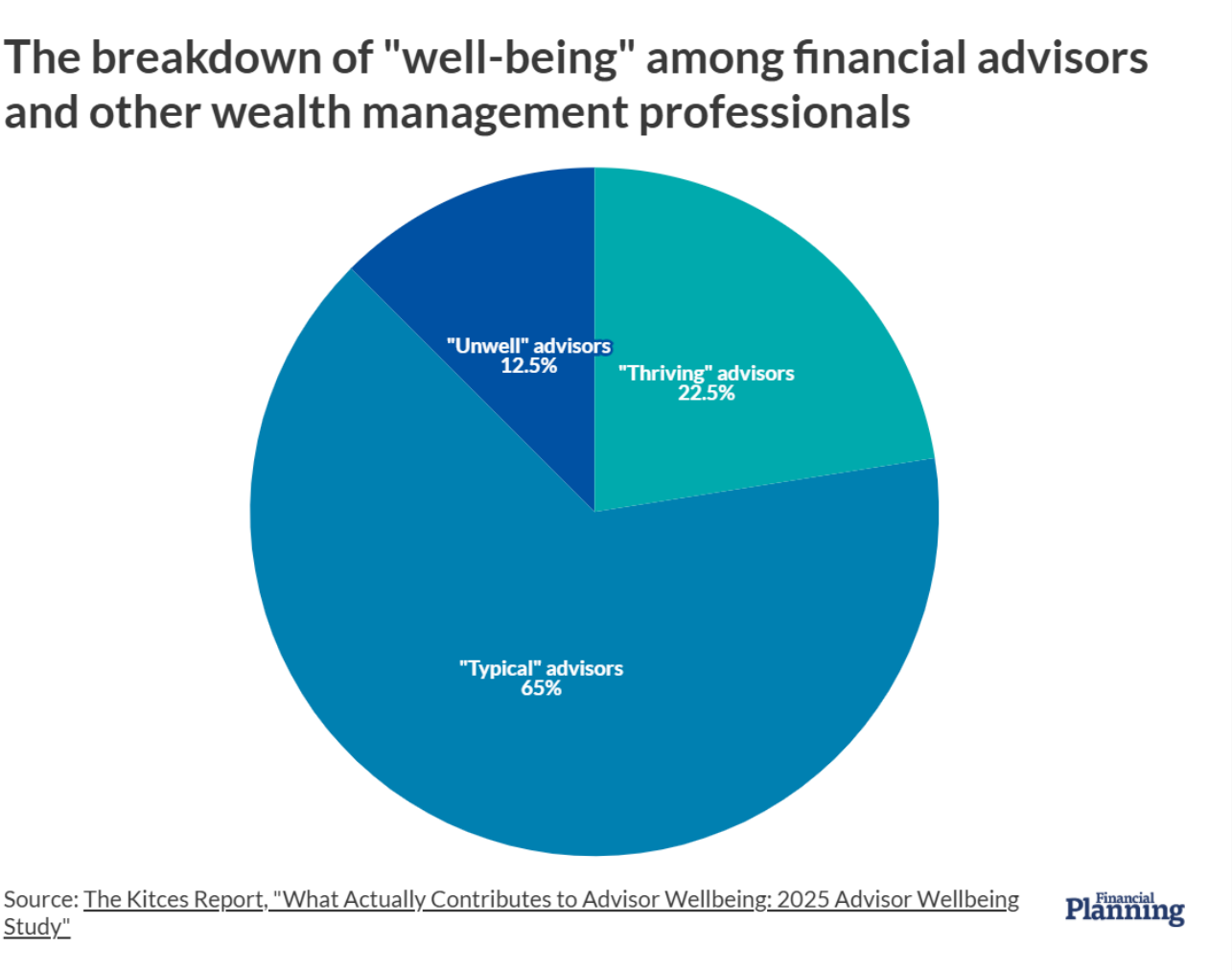
What It Is	What We Measured That Mattered
Experience	• Working at an established practice • Years of industry experience • Entering the industry with prior work experience
The Right Workplace	• Satisfied with the tech stack • Working in desired environments (e.g., office, home) • Firm meaningfully lives out its Mission & Values • Having team support • Minimizing time on administrative and compliance work
Autonomy	• Control over schedule • Having ownership in firm
Revenue Per Hour	• Client affluence • Fewer weekly hours worked • Serving a client base of roughly 40–100 clients • Not using a TAMP
Having Enough	• Prioritizes lifestyle over business growth • Not primarily driven by growing income or enterprise value • Annual income

A screenshot from the latest "Advisor Wellbeing" study by The Kitces Report displays what the researchers say are the five key drivers of financial advisors' happiness at their job.
The Kitces Report

Get off the 'endless treadmill'
And, based on advisors' responses, so does not having the flexibility to choose between working from home or in a traditional office: Only 4% of advisors who have that flexibility said they're "very likely" to switch firms within five years — a number that soared to 33% among those who didn't get any choice.

Other forms of advisor control strongly contribute to advisor well-being. Nearly three-quarters of respondents, 72%, described autonomy over their schedule as a "major attraction" to their careers as advisors. Just 8% who can largely decide their hours were in the unwell group, but 43% of advisors who can't set their work schedules showed up among the unwell. In terms of ownership stakes, just 9% with company stock were unwell, compared to 22% without any vested compensation.

Every one of these factors could have a bearing on advisors' choices about their careers. Excluding retiring advisors, a small but significant 2.3% of the group said they are "extremely likely" to go to a new employer or platform in the next year, with 4.8% highly likely to depart within five years. At least 13% of the unwell group were part of that latter category, but only 1% of the thriving group saw a high likelihood of going to a new firm within five years. Among advisors who are employees of their firms, 21.3% of the unwell and just 0.5% of the thriving advisors said they're extremely likely to go somewhere else in the next half decade.


The breakdown of "well-being" among financial advisors and other wealth management professionals
"Unwell" advisors 12.5%
"Thriving" advisors 22.5%
"Typical" advisors 65%
Source: The Kitces Report, "What Actually Contributes to Advisor Wellbeing: 2025 Advisor Wellbeing Study"
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As with any job, revenue and pay decide a lot about an advisor's productivity and

happiness. At $597,500 in revenue per advisor across their firms and $450,000 in annual income, the thriving advisors were performing better and taking home more pay than the $343,929 per advisor and $172,500 for unwell respondents.

But that finding shouldn't lead RIA founders to try to hike their client loads, the study said, noting that compliance, administrative or office tasks and client servicing came in last out of 13 business activities in terms of advisors' satisfaction. Meetings with current or prospective clients took the top two spots. So staffing that enables advisors to focus on those aspects without burning out on the least satisfying aspects of their jobs can enable the advisors to find the right balance between productivity, rewarding client relationships and their quality of life.

"When business success is used to build a strong team — creating better career opportunities for them while allowing the team to absorb administrative and compliance work advisors often find frustrating, deepen client relationships and create space for a meaningful life outside of work — it can indirectly support higher levels of well-being," the study said. "But when growth comes at the expense of the underlying relationship-centered goals that often motivate advisors in the first place, happiness tends to decline. Advisors stuck on an endless treadmill of new goals may never feel satisfied — because if 'enough' is always just out of reach, there's no true finish line."

—With reporting from Rob Burgess